The Values Revolution
Foreword

Pressure from the rising tide of value-driven citizens and consumers is making its mark and changing the landscape for public, private and non-governmental organisations as this report demonstrates. One impact of the Values Revolution has been the rise of the virtuous organisations, which strive to convince us they can do well and do good simultaneously. However, for many it is still skin deep. A wise organisation will take heed.

The power of the millennial generation (and would hope the ones that follow) in the Values Revolution should not be underestimated. It is reminiscent of the post second world war generation who strove to make a better and fairer society through public action. This generation is even more empowered - with the rise of the Internet and a globally connected world. All sectors are expected to deliver more social and environmental change and work more collaboratively to tackle the global issues we face.

The research outlined Global Tolerance’s report is an organisational wakeup call and pointer to how important it is that values, mission, governance and impact are aligned. We will all be increasingly held to account for our virtuous promises. The good news is, it is good for business too.

Dr Neil Stott
Executive Director,
Centre for Social Innovation
Judge Business School,
University of Cambridge

Executive Summary

More and more, people expect all aspects of their lives - from their careers to their purchasing decisions to the way they spend their spare time - to have a positive impact on the world. This is not a trend. It’s a profound societal shift and it’s happening everywhere.

Welcome to the Values Revolution.

According to our research, over two thirds (68%) of people think that businesses, governments and nonprofits all need to deliver more social and environmental change. Nearly three quarters want to see more transparency and 81% more accountability.

The Values Revolution is particularly noticeable in millennials (those born between 1981-1996.) A whopping 84% of millennials consider it their duty to make a positive difference through their lifestyle and 61% are concerned about the state of the world and feel personally responsible to improve it.

We found that half of millennials would choose purposeful work over a high salary. Two thirds - a significant proportion of the next generation talent pool - want to work for a company that makes a difference to the world. The majority of millennials (60%) prefer to buy products or services from ethical companies while two thirds volunteer for a cause they care about.

Clearly, organisations across all sectors have some work to do to impress their customers, donors and employees of today and tomorrow. Many organisations start at the end - with the comms and marketing - but our research clearly shows that organisations must authentically embrace values across all areas of their operations. In short, they must walk the talk. Only then will they see the benefits of increased affinity and loyalty amongst customers, employees, voters and donors.

To help organisations embrace the Values Revolution to do well and do good, we have created the Authentic Values Model. This framework empowers organisations to Find compelling and authentic values, then Live these values across all areas of their operations before finally building on them to Engage employees, customers, donors and other key stakeholders.
Introduction: Global Tolerance

We are a global social change consultancy that helps organisations find, live and engage others in their values to become more successful. Over the past decade, we have worked with many of the world’s most exciting organisations and changemakers - including TED, UNESCO, the Dalai Lama, Real Madrid and Kingfisher. As a social business founded in 2003, we’ve combined profit and purpose for over a decade to make the world more peaceful, equal and happy.

Methodology

The results in this report are compiled from primary and secondary data. In addition to a thorough literature review from academic institutions, think tanks and news sources, we conducted qualitative research through in-depth interviews with leaders across business, government and nonprofit sectors.

Our primary research sampled 2126 individuals across the United Kingdom. We worked with a third-party polling organisation to ensure accurate results.

1. The Values Revolution

Evidence shows that we are experiencing a Values Revolution. More and more, people are seeking to make a difference to the world - through the places they work, the products they buy and their day-to-day activities - which is, in turn, increasing expectations for all sectors. According to our research, two thirds of people said that governments, businesses and nonprofits should be delivering more social and environmental change, while 81% said they should be more accountable. Almost half said that organisations should understand their personal values before attempting to engage with them for votes, purchases or donations.

The Values Revolution is particularly apparent in the millennial generation (those born between 1981 and 1996). We found that almost two thirds of millennials expect organisations to understand their personal values before engaging, while 84% of millennials consider it their duty to make a positive difference through their lifestyle. Nearly two thirds of millennials are concerned about the state of the world and feel personally responsible to improve it in some way.

Across all generations, this desire to make a difference is reflected in a number of areas, specifically:

Values and careers

According to our research, the workplace has become much more than a place to earn money. In all respondents across the age spectrum, 42% of individuals - that’s almost half the workforce - want to work for an organisation that makes a positive impact. Exactly half of millennials prefer purposeful work to a high salary. And 53% would work harder if their organisation was making a difference to others.

62% of millennials want their career to have a positive impact on the world. And 53% would work harder if their organisation was making a difference to others.

For millennials, the Values Revolution in relation to careers is even more apparent, with a vast 62% of millennial talent wanting to work for a company that makes a positive impact. Exactly half of millennials prefer purposeful work to a high salary. And 53% would work harder if they were making a difference to others.
Values and spending power

The research showed people increasingly put their money where their values are - 50% prefer to buy products and services from ethical companies, with 31% willing to spend more for them. The ethical market is now bigger than the market for alcohol and tobacco combined and spending on green transportation increased by 46% in the past year.¹

In millennials, these figures were even more compelling - not only do 60% of millennials prefer to buy products or services from companies that are doing good but 38% are willing to pay a premium for values. Over two thirds consider a company’s social and environmental impact before buying a product or service.²

Values and lifestyle

Values are increasingly permeating all areas of our lives. The average percentage of people donating money, volunteering time, and helping a stranger globally all grew in 2012, despite a continued fall in the rate of growth of the global economy.³ And over 40% of the population volunteers regularly.⁴

Millennials are particularly keen to make an impact through their lifestyles. Approximately two thirds volunteer for a cause they care about.⁵ An additional 63% donated to charities, 52% signed online petitions to further a cause and 43% belong to community organisations.⁶

How should organisations respond?

Nearly two thirds of people said it’s not enough for organisations to ‘say’ - they have to ‘do’. There’s no longer room for token initiatives, box ticking or whitewashing.

Embracing the Values Revolution provides an opportunity for savvy organisations to get ahead now and thrive in the future. By embracing values, organisations increase staff retention, productivity, revenue, and of course, build trust and loyalty amongst customers, donors, voters and other key stakeholders.

However - there’s no longer room for token initiatives, box ticking or whitewashing. Nearly two thirds of people said it’s not enough for organisations to ‘say’ - they have to ‘do’. They must walk the talk. Their values need to be authentic.

Organisations that want to succeed in a values-driven world must start at the core, weaving authentic values into their strategy, operations and communications. They must show tangible social impact and be transparent and accountable in their activities.

Organisations must then live their values by embedding them across all aspects of their operations, from creating high-level governance policies to managing efficiencies in resource use. Living your values requires the support and input of all aspects of the organisation—from human resources to the finance department.

Then and only then, can organisations effectively engage others in order to amplify their values. We always recommend an ‘inside-out’ approach that begins with employee engagement, then empowers them to serve as ambassadors for the organisation. Once this is in place, outward communications and marketing becomes far more compelling and effective.

We designed the Authentic Values Model to empower organisations to make values work for them. In order to be successful, organisations must first find compelling and current values, then live these values across all areas of their operations and only then build on them to engage citizens, employees, customers and donors.

To find their values, organisations must look at their past and their future. We recommend organisations begin by undertaking a ‘values review’ with their leadership team. The values review should take into account the organisation’s history, its primary objectives, its unique potential social impact and its aspirational legacy.

² Center for Giving
³ Institute for Volunteering Research
⁴ Ethical Consumer
⁵ NCS
⁶ World Giving Index
⁷ Institute for Volunteering Research
⁸ Millennial Impact Report
⁹ Deloitte

Find
Live
Engage
3. In focus: Integrated values across the sectors

Nonprofits in focus: Scope

Trailblazing nonprofits are embracing the Values Revolution to amplify their impact. Scope, the UK’s leading disability charity, has transformed from an outdated organisation that ‘helps’ disabled people, to a pioneering force that changes society so disabled people can live the same lives as anybody else.

Scope was initially founded to create schools for disabled students, who, at the time, had no legal right to be educated. As attitudes towards disability evolved, Scope evolved with them and when CEO Richard Hawkes joined in 2010, Scope was able to find a far more compelling central values proposition: to ‘create a country where disabled people have the same opportunities as everyone else’.

Scope lives its values through progressive human resource policies that enabled disabled individuals to work for the organisation. Scope boldly decided to restructure their organisation- closing down centres and refocusing their energies on empowering disabled individuals to live like anyone else in their homes and communities.

Scope has now been able to authentically and effectively engage others in its values through communications and campaigns. In 2012, they shared stories by disabled people and their families about what their hopes for the future. Earlier this year, Scope launched a campaign called ‘End the Awkward’ to break taboos and create a discussion around the awkwardness that many people feel when they are around disabled people.

Businesses in focus: Westpac

In the private sector, businesses are capitalising on values to create a competitive advantage. Australia’s Westpac is finding, living and engaging others to do well by doing good. Westpac underwent a thorough review - based on the company’s history, its values and principles of doing business - to find ways to fulfill both commercial and social objectives. Westpac committed to becoming “one of the world’s great companies, helping our customers, communities and people to prosper and grow”.

Westpac is living its commitment to social and economic success through its investment portfolio. In the past year, Westpac has moved the dial on climate change by lending $8 million to the clean-tech industry and shifting nearly 60% of the group’s energy investments to renewable energy generation. The bank has taken a similar approach to another grand challenge- affordable housing in Australia, where the current waiting list for social housing in just one state has more than 58,000 applicants. Last year, Westpac pledged to make up to $2 billion in funding available by 2017. They also financed the largest single community housing finance deal, providing $61 million to facilitate the construction of 275 new dwellings. These investments do not simply provide a social return- Westpac’s profit increased 12% in the past year.

Finally, Westpac is engaging others in its values through an “inside-out” approach that reaches employees first. Through the bank’s Organisational Mentoring program, employees volunteer their skills and expertise to support community organisations. 87% of Westpac’s employees believe that they are making a meaningful difference, which empowers 72% to tell others outside the company about their community initiatives. These authentic community initiatives create a ripple effect from employee engagement to recruitment of potential employees and marketing to potential customers.

“For Westpac Group, this is just a different way of expressing what we have always done – in a way that best balances the long term needs of our customers, employees, suppliers, investors and community partners, as well as the wider community and environment at large.”

Gail Kelly, Chief Executive Officer of the Westpac Group
Governments in focus: Bolivia

Forward-thinking governments are leveraging values to co-create solutions and increase transparency. In Bolivia, 118 million acres of forest were in danger of being destroyed due to poor practices in the logging and agriculture industries. Many of the companies were operating illegally and there were no institutions in place to make sure that policies would be implemented on the ground.

The Bolivian government decided to take a new approach to drive change. After meeting with timber companies, indigenous communities and a panel of experts from around the world, they found the biggest barriers to sustainable logging - a lack of skills and a concern for destroying local jobs in already disadvantaged communities.

BOLFOR then lived its values in two ways - first, by developing on-the-job training, courses, workshops, seminars and scholarships, to create a critical mass of professionals who could implement sustainable forest management practices on the ground. Then, they partnered with timber companies willing to try sustainable forest management practices, creating employment opportunities for the professionals who were trained.

Finally, BOLFOR was able to engage others in their values, communicating their success to local communities, the voting public and to international experts such as the United States Agency for International Development (USAID) and the Forest Stewardship Council (FSC). This did not only develop the government’s credibility but turned the forestry sector, once a source of shame, into a source of national pride.

“The most significant result of the new forestry regime has been to help restore legitimacy to a productive forest sector. The industry is no longer seen as a negative force that mines and exports the country’s natural resources while leaving little benefit for the Bolivian population. It is increasingly viewed as a productive sector. The wood manufacturing industry employs thousands of workers in rural and urban centers and competes in international markets, based in large part on the positive reputation earned from sustainable forest management and certification.”
Dr. Preston S. Pattie, BOLFOR Chief of Party

Conclusion

The Values Revolution has truly arrived, reshaping our own lives as well as the organisations around us. More than ever, people want to make a difference through their workplaces, their purchasing power and their lifestyles. This shift is particularly apparent when looking at the millennial generation (those born between 1981-1996), who are worried about the current state of the world and feel it is their responsibility to change it.

Millennials expect the companies they work for to deliver positive change, and they would work harder and for less money if they knew their work was making a difference. This generation uses their purchasing power to purchase ethical products and are willing to pay a premium for them. Most millennials volunteer and many give back to their communities in other ways - by donating to causes or joining local organisations.

Not only do millennials have high expectations for themselves but also for their favourite causes, politicians, brands and employers. Public opinion clearly shows a belief that all sectors could do more to make a positive impact.

It’s no longer enough for organisations to state their impact - they have to prove it. Savvy organisations must embrace the Values Revolution authentically - by integrating values across their strategy, operations and communications in order to make a tangible difference and succeed in a values-driven world.

The Authentic Values Model was designed to help organisations embrace their values in an authentic and comprehensive way. To do that, organisations must first find compelling and current values, then live these values across all areas of their operations before finally building on them to engage savvy employees, customers, donors and the broader public.

We have over a decade of experience and an in-depth understanding of the challenges businesses, governments and nonprofits face in integrating and communicating their values. We can help you embrace the Values Revolution for your organisation - please get in touch to learn more.
Contact Us:
Victoria Embankment
London EC4Y 0HJ
United Kingdom
e info@globaltolerance.com